

**MINUTES OF THE
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, July 20, 2007
Town of Payson Council Chambers
303 North Beeline Highway
Payson, Arizona 85541**

The State Transportation Board met in official session for a Board Meeting at 9:00 a.m., Friday, July 20, 2007, with Chairman Joe Lane presiding. Other Board members present included: Bill Feldmeier, Delbert Householder, Bobbie Lundstrom, Felipe Zubia and Si Schorr via teleconference. Bob Montoya was absent. Also present were Director Victor Mendez, Richard Travis, Doug Forstie, Jim Dickey, Barclay Dick, Gail Lewis, Kevin Biesty, Arnold Burnham, Don Mauller, Lynn Sugiyama, Ron Aschenbach, Bill Pederson, Lisa Balda and Dallas Hammit. There were approximately 30 people in the audience.

OPENING REMARKS

Chairman Joe Lane welcomed the audience and led them in the Pledge of Allegiance.

DISTRICT ENGINEER'S REPORT

Dallas Hammit, District Engineer provided an update on projects and issues of regional significance. The Prescott District is in the center part of the state. Upcoming projects were highlighted on a map and include Doubtful Canyon, Kohls Ranch and Christopher Creek. Another project in design will advertise this fiscal year. There is funding for Doubtful Canyon in 2010 and for design for the Lion Spring section. The Little Green Valley project will be three miles of divided roadway. There are two sets of bridges. Advertising will be by June of this fiscal year. A Chino Valley project was described and includes a four-lane divided section divided by a raised median, drainage improvements, intersection improvements and access control where possible. Projects under construction were noted and include pavement preservation, 89/69, Wickenburg bypass, SR260, SR89A, 87. By December, there will be \$152 million under construction in the Prescott District. Pre-design studies on I-17 from New River to Cordes Junction alternatives were identified. A partnership with Yavapai County and Federal Highways is CTLU (Coordinating Transportation and Land Use) with a goal to provide a formal exchange of information for the mutual benefit of the State Highway Department, the county, local jurisdictions and the user of the transportation facility. Achievements include combined funds to do a pre-design study on SR89. There are additional partnerships in other communities.

CALL TO AUDIENCE

Fred Carpenter, City Manager, Payson, welcomed everyone to Payson.

Jack Lunsford, President and CEO, WESTMARC; Treasurer T.I.M.E. Coalition, said that the T.I.M.E. (Transportation and Infrastructure Moving Arizona's Economy) Coalition has been in existence for almost one year working on issues related to transportation and the importance of commerce and the economy with a long-term vision for a state-wide transportation plan and to promote and advocate for the continued improvement and creation of a long-term plan. The Coalition believes that a quality transportation system drives commerce in Arizona. It is essential for the economic future of our state. Principles adopted include preserve new corridors to promote connectivity, expand capacity to reduce congestion, integrate the use of multimodal transportation solutions, equally consider privatization options that will expand capacity, expedite construction and potentially lower costs, consider opportunities to increase ability to transport goods and services and proactively support the right-of-

way preservation and access. An aggressive set of goals were adopted and involve a process recognized by the legislature, the ADOT board, the COG's, NPO's and Native American communities. Plans are expected sometime next year. In terms of the framework studies, the Board has the opportunity and authority to authorize those through funding. The Coalition encourages the Board to fund those. Without a statewide plan, we can't move something aggressively forward that addresses the economy. The Board is encouraged to act favorably today to move the framework studies forward.

Jim Patterson, stated that we need a statewide transportation plan. We have a great statewide group and we need this statewide plan and to get on the ballot to get funding.

Roc Arnett, East Valley Partnership and T.I.M.E. Coalition, discussed a MAG meeting that will review the status of the recognizance study going forward looking at forming and gathering the statewide data. A statewide plan has been done in other parts of the country, Georgia for example. Support was encouraged for Item 8A, the Framework Studies.

Maxine Leather, Executive Director, CAAG, lends support to Item 8A, funding for the Framework Studies. The COGs and NPO Directors and staffs have been working on this for several months and the CAAG passed a resolution in May supporting this effort. Others have as well. It is felt that this will be the basis for the seamless transportation system desired in Arizona. It will provide a statewide overview regarding transportation issues.

Rob Lafontaine, Analyst, City of Bullhead City, spoke on behalf of the Mayor. The talk of the town is a second bridge. There are long traffic volumes and long waits the current bridge must endure. The current bridge must accommodate an estimated 44,000 vehicles a day. ADOT advised that funding for the project may be difficult because none of the potential bridge locations intersect directly with the state highway. He asks that the Board reconsider that criterion. The added pressure be diverted traffic currently on SR95 and SR68. An additional bridge between Bullhead City and Laughlin, Nevada would serve to alleviate the added pressure on Arizona state highway systems. Another item is poor pavement quality on SR95 through the City of Bullhead City. The acceleration of the local pavement preservation program was encouraged.

Ken Driggs, Consultant, Transystems; Arizona Transit Association, said ADOT suffers due to a lack of funding that flows through ADOT in terms of transit. The transit study is progressing well and appreciation was expressed to ADOT for the Board's responsiveness.

Andy Smith, Transportation Planner, Pinal County, further advocated for the I-10 Regional Profiles that were recently put on hold. It is hoped that they will be re-evaluated in September. In two weeks, the regionally significant routes will be rolled out.

Chris Tilley, Chair, Alternate Route Task Force, impressed on how important a bypass is to this town. When one lives in a congested area, one expects traffic. It is the congestion of the valley coming to our town. Most believe that because our town is economically strong; the bypass's negative effect will be minimal. Payson wants to keep the small town atmosphere most came here for. The advantage to the alternate route is most of the roadways will be built on forest service land with few acquisition costs. The expense will be the studies, planning and building of the road.

Mr. Zubia added he will be asking for help with defraying some of the funding they may be approving by going to some of the COGs. You will find some support from the Board.

CONSENT AGENDA

Mr. Schorr recused himself from Items 22, 23, 24, 25, 30, 31, 32, 34, 35, 36, 37 and 38.

Director's Report

Victor Mendez, Director, provided an up-to-date report regarding current issues and events affecting ADOT. Last week, the federal administration had a new estimate for the highway trust fund for FY09. A potential shortfall of \$4.3 billion is estimated. Our concern from a national perspective is a potential impact for our transportation system. It is estimated that if reductions remain in place, over several years, a shortfall in that amount would equal a state reduction of possibly \$16 billion in obligation authority. There is concern and work being done at the national level.

Legislative Report

Kevin Biesty provided an update on state and federal legislative issues, including proposed legislation which may affect ADOT. A legislative summary was distributed. HB2793 was a budget bill dealing with transportation; as part of the HELP loan program, rural transit was discussed. A provision that the Governor and ADOT proposed got in the bill allowing communities of 50,000 and less to apply for HELP loans for capital transit projects. The general appropriations bill appropriated \$62 million from the State Highway Fund to STAN. HB2793 set up two sub programs. The first is the Transportation Acceleration Interest Reimbursement, allowing the Transportation Board to reimburse interest costs. The second sub program (tape change) There was specific language saying that the distribution of expenditures from this account are not subject to the requirements for distribution under the State Highway Fund, STAN fund or other agreement ADOT has. It prohibits the Transportation Board from approving expenditures unless the expenditure is for the construction, design or planning of roads or bridges that are contained without funded in the Transportation Plan. Additional stipulations where highlighted. SB1640 provisions were highlighted and include language that allows ADOT to purchase property that was originally purchased with RARF funds. It establishes and sets the duties for the Blue Ribbon Transportation Committee including reviewing reports regarding framework studies in Arizona and making recommendations to the legislature. And it allows ADOT to accept donated plaques or monuments from a Veteran's organization. At the federal level, both the House and Senate have moved forward transportation appropriations. They both matched the SAFETEA-LU recommendations except the Senate bill shorts the transit piece by \$134 million. The FAA Reauthorization Bill was passed by the House. There is a SAFETEA-LU correction being discussed.

Financial Report

John McGee provided summary reports on revenue collections for Highway User Revenues and Maricopa Transportation Excise Tax Revenues, comparing fiscal year results to last year's actuals and forecasts, and reported on interest earnings, HELP Fund status, and other financial information relative to the Board and Department. June HURF revenues totaled \$124.5 million, an increase of 5.0 percent over June 2006 and 3.4 percent above the estimate. FY 2007 HURF revenues totaled \$1,382.5 million, an increase of 3.8 percent over FY 2006, but 1.2 percent below the forecast. Use Fuel Tax results continue to be under. VLT was slightly under the forecast. May RARF collections totaled \$31.8 million, an increase of 2.3 percent over May 2006, but 5.1 percent under the estimate. The 2.3 percent is the lowest growth rate this year and lowest month-over-month growth rate since May 2003. Year-to-date collections totaled \$360.0 million, an increase of 7.3 percent over last year, but 0.8 percent below the estimate. Positive variances are seen in all categories with the exception of Retail Sales and Other. Investment earnings did well ending with almost \$59 million in interest earnings, representing an average yield of 4.92 percent. Last year's interest earnings were approximately \$30

million. The HELP loan balance as of June 2007 is just over \$130 million. This is \$6.3 million more than last month's balance. In August, \$100 million of Board funding obligations will be re-paid.

Financing Program

John McGee provided an update on financing issues affecting the Board and the Department, including HURF and RARF Bonding, GAN issuances and Board Funding Obligations. Regarding the HURF refunding, interest rates have come down a little last month but still quite a ways from the refunding. Regarding the Master Resolution that was distributed, this is the first resolution under the new Regional Area Road Fund Bond Program. The first issue is planned for October. The Board will be asked to adopt two resolutions, the Master Resolution and a Supplemental Resolution specific to Series 2007 Bonds. The Master Resolution covenants are designed to provide flexibility for RARF programs and retain existing ratings of AA/Aa2 on Senior Bonds and A/Aa3 on Subordinate Bonds. The Resolution is similar to the existing Resolution for RARF Bond issuances. The four major differences were reviewed.

FY2008-2012 Financial Plan

John McGee distributed and reviewed highlights of the FY 2008-2012 Financial Plan. The program adopted was a \$6.6 billion program. Approximately \$3.3 billion will come from bonding and HELP programs, representing 50 percent of the program; 36 percent from federal funds; 9 percent from state and other funds and 5 percent from RARF. Programming is done under the statewide program and the MAG program. Major funding sources for the Statewide Program include state highway funds, federal funds, HURF bonds, GANS and STAN. Over the five years, the amount of cash available at the end of every year meets or exceeds or minimum guideline requirements. In the MAG Program, funding sources include state highway funds, federal funds, RARF funds, RARF bonds, HURF bonds, GANS and STAN. Almost half of the program will come from the issuance of debt. The estimated debt issues were noted and does not include the \$500 million of capacity that was generated as a result of action taken by the legislature last session which extended the HURF bonding term limits. Assumptions, issues and conclusions were presented.

HELP Loan

John McGee presented a Resolution recommending approval of an application for Financial Assistance from, and Loan Repayment Agreement with the Town of Oro Valley for the following construction project: La Canada Drive Widening.

Board Action: A motion to approve the above recommendation was made by Mr. Schorr, seconded by Mr. Householder and passed unanimously.

Framework Studies

Richard Travis presented information regarding the request for funds from the State Highway Fund for framework studies and identify transportation needs statewide. The Statewide Transportation Needs Study effort was not successful in the legislative session. The Department is prepared to move forward with that study in part to meet requirements under MoveAZ and to do a more detailed study to identify transportation corridors and needs throughout the state. It is anticipated that additional funding is needed to take the plan to the level necessary and to meet necessary timeframes.

Board Action: Mr. Zubia moved that the Board approve the expenditure of \$7 million from the State Highway Fund in order to conduct necessary transportation studies throughout the state. These funds will be used by the Department in part to develop methodology, to develop statewide modeling capacity, and to conduct

an integrated, statewide multimodal transportation plan. Using the methodology developed through this process, the study will identify the following: primary transportation corridors and needs; the interconnected transportation network within the state; and transportation solutions. Also, the Department should review the statutory requirement to produce the MoveAZ plan and determine how the statewide studies can be used to update MoveAZ. In programming the \$7 million, staff should request of the COG's and MPO's to collectively contribute up to 50% of study cost to help defray the cost. The motion was seconded by Mrs. Lundstrom and passed unanimously.

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MINUTES – APPROVAL

Special Board Minutes – May 4, 2007
Public Hearing Minutes – May 4, 2007
Study Session Minutes – June 15, 2007
Board Meeting Minutes – June 15, 2007

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2007 BOARD MEETING & PUBLIC HEARING DATES AND LOCATIONS
STUDY SESSIONS TO BE SCHEDULED AS NEEDED

August 17, 2007 – Board Meeting – Avondale – 9:00 a.m.
September 21, 2007 – Board Meeting – Sedona - 9:00 a.m.
October 19, 2007 – Board Meeting – Globe – 9:00 a.m.
November 16, 2007 – Board Meeting – Lake Havasu City – 9:00 a.m.
December 21, 2007 – Board Meeting – Tucson – 9:00 a.m.

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

Recommended Economic Strength Projects
(ESP) – Round 2 FY 2007

	<u>ESP Selection</u>	<u>Recommended Award</u>
a.	Town of Queen Creek	\$500,000
b.	City of Eloy	\$500,000
	Total	\$1,000,000

	<u>Recommended ESP Project to be Deleted</u>	<u>Awarded Amount</u>
c.	City of Surprise - Round 1 FY 2006 (JPA was never signed and executed)	\$446,688

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mrs. Lundstrom and passed unanimously.

FY 2008 – 2012 Transportation Facilities Construction
Program - Requested Modifications

ROUTE NO:	SR 802 @ MP 0.00
COUNTY:	Pinal
SCHEDULE:	FY 2007
SECTION:	Williams Gateway Freeway

TYPE OF WORK: Design Concept Report
PROGRAM AMOUNT: \$ 5,000,000
PROJECT MANAGER: Javier Gurrola
PROJECT: H7236S1D Item # 16407
REQUESTED Reduce the design amount by \$1,507,000 to
ACTION: \$3,493,000 in the FY 2008 Highway Construction
Program. **Transferring funds to the FY 2008
Statewide Contingency Fund #72308.**

PROGRAM AMOUNT: \$5,000,000
NEW PROGRAM AMOUNT: \$3,493,000

ROUTE NO: North / South Freeway
COUNTY: Pinal
SCHEDULE: FY 2008
SECTION: North / South Freeway
TYPE OF WORK: Design Concept Report
PROGRAM AMOUNT: \$ 5,000,000
PROJECT MANAGER: Javier Gurrola
PROJECT: Item # 15808
REQUESTED Increase design amount by \$1,507,000 to \$6,507,000
ACTION: in the FY 2008 Highway Construction Program.
**Funds are available from the FY 2008 Statewide
Contingency Fund #72308.**

PROGRAM AMOUNT: \$5,000,000
NEW PROGRAM AMOUNT: \$6,507,000

Board Action: A motion to approve Items 11 and 12 was made by Mr. Householder, seconded by Mrs. Lundstrom and passed unanimously.

ROUTE NO: MAG Regional Freeway System
COUNTY: Maricopa
SCHEDULE: FY 2008 - New Request
SECTION: Metro Area Cable Barrier
TYPE OF WORK: Upgrade median cable barrier
PROGRAM AMOUNT: New Project
PROJECT MANAGER: Michael Marietti
PROJECT: H701301C
REQUESTED Establish a new safety project in the amount of
ACTION: \$2,391,000 in the FY 2008 Highway Construction
Program. **Funds are available from FY 2008
Highway Safety Improvement Program #72808.**

NEW PROGRAM AMOUNT: \$2,391,000

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Zubia and passed unanimously.

ROUTE NO: SR 347 @ MP 173.37
 COUNTY: Pinal
 SCHEDULE: FY 2008 – New Request
 SECTION: Maricopa - Casa Grande Highway
 TYPE OF WORK: Construct traffic signal
 PROGRAM AMOUNT: New Project
 PROJECT MANAGER: Abdulkarim Rashid
 PROJECT: HX17601C JPA 06-032
 REQUESTED ACTION: Establish a new traffic signal project in the FY 2008 Highway Construction Program. **See funding sources below.**

FY 2008 Traffic Engineering Fund #71208	\$200,000
JPA 06-032 with the City of Maricopa	\$200,000
NEW PROGRAM AMOUNT:	\$400,000

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mrs. Lundstrom and passed unanimously.

ROUTE NO: US 93 @ 92.5
 COUNTY: Mohave
 SCHEDULE: FY 2007
 SECTION: SB McGarry's Wash
 TYPE OF WORK: Construct parallel roadway
 PROGRAM AMOUNT: \$ 10,250,000
 PROJECT MANAGER: Larry Doescher
 PROJECT: H617701C Item #10909
 REQUESTED ACTION: Increase program amount by \$1,000,000 to \$11,250,000 in the FY 2007 Highway Construction Program. **Funds are available from the FY 2007 Statewide Contingency Fund #72307.**

PROGRAM AMOUNT:	\$10,250,000
NEW PROGRAM AMOUNT:	\$11,250,000

Board Action: A motion to approve the above recommendation was made by Mr. Zubia, seconded by Mr. Householder and passed unanimously.

FY 2008-2012 Airport Development Program – Requested Modifications

AIRPORT NAME: Williams Gateway Airport
 SPONSOR: Williams Gateway Airport Authority
 AIRPORT CATEGORY: Reliever
 SCHEDULE: FY 2008-2012
 PROJECT #: E8S01
 PROGRAM AMOUNT: New Project Request
 PROJECT MANAGER: Tammy Martelle

PROJECT DESCRIPTION: Enlarge NW Drainage Basin to ultimate size to confirm with Master Plan; extend drainage pipes adjacent to Sossaman Road; Construct cul-de-sac at Sossaman/Avery alignment.

REQUESTED ACTION: Recommend STB approval.

FUNDING SOURCES:	FAA	\$0
	Sponsor	\$58,697
	State	\$528,275
	<i>Total Program</i>	\$586,972

Board Action: A motion to approve the above recommendation was made by Mr. Zubia, seconded by Mrs. Lundstrom and passed unanimously.

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 - Minutes of June 25, 2007
 - Summary of Approved Changes to the FY 2007-2011 Highway Construction Program
 - Highway Program Monitoring Report

RIGHT OF WAY RESOLUTIONS

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RES. NO: 2007-07-A-049
PROJECT: U-093-B-805 / 093YV157H554401R
HIGHWAY: WICKENBURG - KINGMAN
SECTION: Cottonwood Canyon – Bridle Creek
ROUTE NO: U.S. Route 93
ENG. DIST: Kingman
COUNTY: Yavapai
RECOMMENDATION: Establish additional right of way as a state route and state highway to improve operational characteristics for the traveling public

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RES. NO: 2007-07-A-050
PROJECT: S-238-805 / 179YV304H341402R
HIGHWAY: RIM ROCK - SEDONA
SECTION: Village of Oak Creek – Jct. 89A
ROUTE NO: State Route 179
ENG DIST: Flagstaff
COUNTY: Coconino
RECOMMENDATION: Disposal by Easement Extinguishment with the underlying fee owner to resume usage subject to new sidewalk easement

STATE ENGINEER'S REPORT

Doug Forstie reported that there are 70 projects under construction valued at \$930 million. During June, the Department finalized nine projects valued at \$54 million. Fiscal year-to-date, 115 projects have been finalized.

CONSTRUCTION CONTRACTS

Interstate Non-Federal Aid

* BIDS OPENED: June 8
 HIGHWAY: CORDES JUNCTION-FLAGSTAFF HIGHWAY (I-17)
 SECTION: Milepost 250.4 – Milepost 252.5 (NB)
 COUNTY: Yavapai
 ROUTE NO.: I-17
 PROJECT: 017-A-NFA 017 YV 250 H720501C
 FUNDING: 100% State
 LOW BIDDER: Asphalt Paving & Supply, Inc.
 AMOUNT: \$ 449,204.60
 STATE AMOUNT: \$ 445,064.00
 \$ OVER: \$ 4,140.60
 % OVER: 0.9%
 NO. BIDDERS: 6
 RECOMMENDATION: AWARD

* BIDS OPENED: June 29
 HIGHWAY: NOGALES-TUCSON HIGHWAY (I-19)
 SECTION: Irvington Road TI
 COUNTY: Pima
 ROUTE NO.: I-19
 PROJECT: 019-A-NFA 019 PM 061 H723101C
 FUNDING: 100% State
 LOW BIDDER: A & S Paving, Inc.
 AMOUNT: \$ 350,566.00
 STATE AMOUNT: \$ 397,161.00
 \$ UNDER: \$ 46,595.00
 % UNDER: 11.7%
 NO. BIDDERS: 5
 RECOMMENDATION: AWARD

* BIDS OPENED: June 29
 HIGHWAY: KINGMAN-ASHFORK HIGHWAY (I-40)
 SECTION: Willow Creek Bridges
 COUNTY: Mohave
 ROUTE NO.: I-40
 PROJECT: 040-B-NFA 040 MO 083 H676001C
 FUNDING: 100% State
 LOW BIDDER: Royden Construction Co.
 AMOUNT: \$ 3,073,915.50
 STATE AMOUNT: \$ 3,386,494.00
 \$ UNDER: \$ 312,778.50
 % UNDER: 9.2%
 NO. BIDDERS: 5

RECOMMENDATION: AWARD

BIDS OPENED: June 29
HIGHWAY: HOLBROOK – LUPTON HIGHWAY (I-40)
SECTION: Milepost 290.20 to Milepost 313.50
COUNTY: Navajo
ROUTE NO.: I-40
PROJECT: 040-D-NFA 040 NA 290 H728301C
FUNDING: 100% State
LOW BIDDER: Hatch Construction & Paving, Inc.
AMOUNT: \$ 756,091.00
STATE AMOUNT: \$ 893,390.00
\$ UNDER: \$ 137,299.00
% UNDER: 15.4%
NO. BIDDERS: 6
RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Zubia, seconded by Mr. Householder and passed unanimously. Mr. Schorr recused himself from this Item.

Non-Interstate Federal-Aid (“A” “B”) projects do not need FHWA concurrence, but must comply with DBE regulations; other projects are subject to FHWA and/or local government concurrence and compliance with DBE regulations)

* BIDS OPENED: June 29
HIGHWAY: PHOENIX-GLOBE HIGHWAY (US 60)
SECTION: Ragus Road to Russell Road
COUNTY: Gila
ROUTE NO.: US 60
PROJECT: TEA-060-D(012)A 060 GI 246 H609201C
FUNDING: 94% Federal 6% State
LOW BIDDER: Down to Earth Contracting, Inc.
AMOUNT: \$ 564,362.55
STATE AMOUNT: \$ 631,971.00
\$ UNDER: \$ 67,608.45
% UNDER: 10.7%
NO. BIDDERS: 6
RECOMMENDATION: AWARD

BIDS OPENED: June 22
HIGHWAY: PRESCOTT – FLAGSTAFF HIGHWAY (SR 89A)
SECTION: SR 89A; Milepost 382.4
COUNTY: Coconino
ROUTE NO.: SR 89A
PROJECT: STP-A89-B(201)A 89A CN 382 H698801C

FUNDING: 94% Federal 6% State
LOW BIDDER: Donald B. Murphy Contractors, Inc.
AMOUNT: \$ 7,266,762.00
STATE AMOUNT: \$ 5,237,431.40
\$ OVER: \$ 2,029,330.60
% OVER: 38.7%
NO. BIDDERS: 1
RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Zubia, seconded by Mr. Householder and passed unanimously.

* BIDS OPENED: June 22
HIGHWAY: KINGMAN-HOOVER DAM HIGHWAY (US 93)
SECTION: US 93, North Gateway
COUNTY: Mohave
ROUTE NO.: US 93
PROJECT: TEA-093-A(002)A 093 MO 070 H661601C
FUNDING: 94% Federal 6% State
LOW BIDDER: Shada Incorporated DBA Benchmark Construction
AMOUNT: \$ 185,213.90
STATE AMOUNT: \$ 176,072.50
\$ OVER: \$ 9,141.40
% OVER: 5.2%
NO. BIDDERS: 5
RECOMMENDATION: AWARD

* BIDS OPENED: June 8
HIGHWAY: CASA GRANDE -I-10 -COOLIDGE HIGHWAY (SR 387)
SECTION: Val Vista to GRIC
COUNTY: Pinal
ROUTE NO.: SR 387
PROJECT: TEA-387-A(004)A 387 PN 006 H674201C
FUNDING: 94% Federal 6% State
LOW BIDDER: M. Anderson Construction Corp.
AMOUNT: \$ 339,599.25
STATE AMOUNT: \$ 322,850.00
\$ OVER: \$ 16,749.25
% OVER: 5.2%
NO. BIDDERS: 4
RECOMMENDATION: AWARD

* BIDS OPENED: June 22
HIGHWAY: CITY OF CHANDLER
SECTION: Ryan Road – Arizona Avenue to McQueen Road
COUNTY: Maricopa

ROUTE NO.: N/A
 PROJECT: CM-CHN-0(022)A 0000 MA CHN SS54201C
 FUNDING: 87% Federal 13% City of Chandler
 LOW BIDDER: D B A Construction, Inc.
 AMOUNT: \$ 118,998.00
 STATE AMOUNT: \$ 155,700.00
 \$ UNDER: \$ 36,702.00
 % UNDER: 23.6%
 NO. BIDDERS: 5
 RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mrs. Lundstrom and passed unanimously.

* BIDS OPENED: June 22
 HIGHWAY: CITY OF PEORIA
 SECTION: 83RD Avenue & Thunderbird Road
 COUNTY: Maricopa
 ROUTE NO.: N/A
 PROJECT: CM-PE0-0(005)A 0000 MA PEO SS52401C
 FUNDING: 46% Federal 54% City of Peoria
 LOW BIDDER: Combs Construction Company, Inc.
 AMOUNT: \$ 1,010,659.55
 STATE AMOUNT: \$ 1,016,420.00
 \$ UNDER: \$ 5,760.45
 % UNDER: 0.6%
 NO. BIDDERS: 3
 RECOMMENDATION: AWARD

Non-Interstate Non-Federal Aid

BIDS OPENED: June 8
 HIGHWAY: GLOBE – LORDSBURG HIGHWAY (US 70)
 SECTION: Milepost 282.5 to Milepost 283.5
 COUNTY: Graham
 ROUTE NO.: US 70
 PROJECT: 070-A-NFA 070 GH 282 H619301C
 FUNDING: 100% State
 LOW BIDDER: S.J. Louis Construction, Inc.
 AMOUNT: \$ 946,181.56
 STATE AMOUNT: \$ 1,308,045.00
 \$ UNDER: \$ 361,863.44
 % UNDER: 27.7%
 NO. BIDDERS: 3
 RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mrs. Lundstrom and passed unanimously. Mr. Schorr recused himself from this Item.

* BIDS OPENED: June 22
HIGHWAY: SHOW LOW – HOLBROOK HIGHWAY (SR 77)
SECTION: Milepost 355 to Milepost 357.25
COUNTY: Navajo
ROUTE NO.: SR 77
PROJECT: 077-B-NFA 077 NA 355 H723201C
FUNDING: 100% State
LOW BIDDER: Combs Construction Company, Inc.
AMOUNT: \$ 725,725.30
STATE AMOUNT: \$ 796,446.50
\$ UNDER: \$ 70,721.20
% UNDER: 8.9%
NO. BIDDERS: 3
RECOMMENDATION: AWARD

BIDS OPENED: June 22
HIGHWAY: SIERRA VISTA – BISBEE HIGHWAY (SR 92)
SECTION: SR 92 @ Kings Ranch Road
COUNTY: Cochise
ROUTE NO.: SR 92
PROJECT: 092-A-NFA 092 CH 336 H709301C
FUNDING: 100% State
LOW BIDDER: K E & G Construction, Inc.
AMOUNT: \$ 298,506.47
STATE AMOUNT: \$ 255,072.00
\$ OVER: \$ 43,434.47
% OVER: 17.0%
NO. BIDDERS: 3
RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Zubia, seconded by Mrs. Lundstrom and passed unanimously.

BIDS OPENED: June 29
HIGHWAY: PARKER-BULLHEAD CITY HIGHWAY (SR 95)
SECTION: SR 95 and Marina Blvd Intersection
COUNTY: Mohave
ROUTE NO.: SR 95
PROJECT: 095-D-NFA 095 MO 243 H711301C
FUNDING: 100% State
LOW BIDDER: Combs Construction Company, Inc.
AMOUNT: \$ 124,729.00
STATE AMOUNT: \$ 179,760.00
\$ UNDER: \$ 55,031.00

% UNDER: 30.6%
NO. BIDDERS: 1
RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Zubia and passed unanimously. Mr. Schorr recused himself from this Item.

BIDS OPENED: June 29
HIGHWAY: SAN LUIS – YUMA - QUARTZSITE HIGHWAY
(US 95)
SECTION: US 95 @ Milepost 79
COUNTY: Yuma
ROUTE NO.: US 95
PROJECT: 095-B-NFA 095 YU 079 H652001C
FUNDING: 100% State
LOW BIDDER: Silver Eagle Western LLC
AMOUNT: \$ 349,070.88
STATE AMOUNT: \$ 452,101.35
\$ UNDER: \$ 103,030.47
% UNDER: 22.8%
NO. BIDDERS: 2
RECOMMENDATION: REJECT ALL BIDS

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mr. Zubia and passed unanimously. Mr. Schorr recused himself from this Item.

* BIDS OPENED: June 8
HIGHWAY: AGUA FRIA FREEWAY (101L)
SECTION: Northern Avenue to Grand Avenue
COUNTY: Maricopa
ROUTE NO.: 101L
PROJECT: S-101-A-515 101 MA 008 H668301C
FUNDING: 100% State
LOW BIDDER: Bison Contracting Co., Inc.
AMOUNT: \$ 1,658,415.00
STATE AMOUNT: \$ 1,714,593.75
\$ UNDER: \$ 56,178.75
% UNDER: 3.3%
NO. BIDDERS: 7
RECOMMENDATION: AWARD

* BIDS OPENED: June 29
HIGHWAY: PIMA FREEWAY (SR 101L)
SECTION: Princess Drive to Red Mountain T.I.
COUNTY: Maricopa
ROUTE NO.: SR 101L

PROJECT: 101-B-NFA 101 MA 036 H693601C
FUNDING: 100% State
LOW BIDDER: Coffman Specialties, Inc.
AMOUNT: \$ 47,467,400.36
STATE AMOUNT: \$ 50,540,054.00
\$ UNDER: \$ 3,072,653.64
% UNDER: 6.1%
NO. BIDDERS: 5
RECOMMENDATION: AWARD

* BIDS OPENED: June 8
HIGHWAY: TUBA CITY-FOUR CORNERS HIGHWAY(US 160)
HIGHWAY: TUBA CITY-WINDOW ROCK HIGHWAY (SR 264)
SECTION: Van's Trading Post – East of SR 264
SECTION: Tuba City – Coal Mine Road
COUNTY: Coconino
ROUTE NO.: US 160, SR 264
PROJECT: U-160-A-500 160 CN 320 H460101C
PROJECT: S-264-A-502 264 CN 322 H557202C
FUNDING: 100% State
LOW BIDDER: Fann Contracting, Inc.
AMOUNT: \$ 9,687,846.00
STATE AMOUNT: \$ 10,905,376.70
\$ UNDER: \$ 1,217,530.70
% UNDER: 11.2%
NO. BIDDERS: 3
RECOMMENDATION: AWARD

BIDS OPENED: June 22
HIGHWAY: STATEWIDE HIGHWAY
SECTION: Statewide DMS, Phase 7
COUNTY: Statewide
ROUTE NO.: 999
PROJECT: S-999-A-508 999 SW 000 H660802C
FUNDING: 100% State
LOW BIDDER: C S Construction, Inc.
AMOUNT: \$ 604,724.00
STATE AMOUNT: \$ 571,476.00
\$ OVER: \$ 33,248.00
% OVER: 5.8%
NO. BIDDERS: 3
RECOMMENDATION: AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Householder, seconded by Mrs. Lundstrom and passed unanimously.

Comments and Suggestions

Board Members had the opportunity to suggest items they would like to have placed on future Board Meeting Agendas.

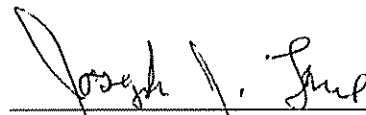
CONSENT AGENDA

Board Action: A motion to approve Consent Agenda Items 22, 23, 25, 30, 32, 36, 37 and 38 was made by Mr. Householder, seconded by Mrs. Lundstrom and passed unanimously. Mr. Schorr recused himself from these Items.

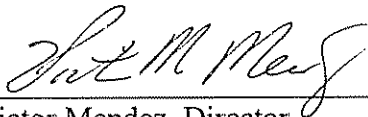
Board Action: A motion to approve the remaining Consent Agenda was made by Mr. Householder, seconded by Mr. Zubia and passed unanimously.

ADJOURN

Board Action: A motion to adjourn was made by Mr. Householder, seconded by Mrs. Lundstrom and passed unanimously.



Joe Lane, Chairman
State Transportation Board



Victor Mendez, Director
Arizona Department of Transportation

*Denotes items approved in the consent agenda.

RESOLUTION

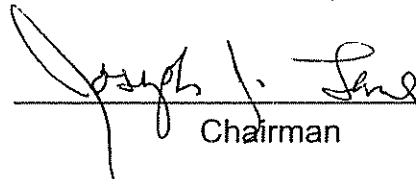
RESOLUTION OF THE STATE OF ARIZONA TRANSPORTATION BOARD ACCEPTING AND APPROVING A HIGHWAY EXPANSION AND EXTENSION LOAN APPLICATION FROM THE TOWN OF ORO VALLEY, ARIZONA AND AUTHORIZING A LOAN REPAYMENT AGREEMENT.

The Board hereby accepts and approves the application for financial assistance from the Highway Expansion and Extension Loan Program (HELP) as requested by the Town of Oro Valley, Arizona and as approved and recommended by the HELP Advisory Committee.

The Board hereby authorizes the Chairman to enter into a Loan Repayment Agreement relating to HELP Loan Number QORV3P08U, Town of Oro Valley, La Cañada Drive Widening Project.

Dated this 20th day of July, 2007

State of Arizona Transportation Board


Chairman

ATTEST:


Director, Arizona Department of Transportation

Exhibit D to Loan Repayment Agreement

DESCRIPTION OF LOAN TERMS

Recipient: Town of Oro Valley (La Cañada Drive Widening, Naranja Drive to Tangerine Road)

- I. Loan or Other Financial Assistance: Loan equal to \$8,000,000.00
- II. Loan Number: QORV3P08U
- III. Terms:

Principal Amount: \$8,000,000.00

Interest Rate: To be determined.

Source of Loan Funds/Source of Repayment Funds: Unrestricted/Unrestricted

Interest Payment Dates: Interest is due and payable each August 15, beginning August 15, 2008 or if such day is not a Business Day, on the next succeeding Business Day, as calculated in Section 2.04 of the Loan Repayment Agreement. Interest is payable to the State Treasurer as described below:

Bank of America, N.A	ABA # 0260-0959-3
101 N. 1 st Avenue	For credit to Acct # 0046 7384 3551
Phoenix, AZ 85003	“ADOT – HELP”
Contact: Judy Covey	
Phone: 602-523-2726	

Principal Repayment Schedule and Maturity Date:¹

See attached repayment schedule.

Principal payments are to be made to the same manner as interest payments, as stated above.

Prepayment Terms and Premium: As set forth in Section 2.06 (no premium for prepayment).

¹ If the source of the Loan is moneys derived from a SIB Cooperative Agreement, the final Maturity Date shall not be longer than ten (10) years after the date the Project is opened to traffic. If the source of the Loan is other moneys, the final Maturity Date of the Loan shall not be longer than five (5) years after the date the Project is opened to traffic.

Exhibit D to Loan Repayment Agreement (continued)

Loan Closing Date: August 15, 2007 (or such other mutually acceptable date).

Disbursement of Loan Proceeds to Recipient: Within two business days of Loan Closing Date.

IV. Designated Revenues to be used by Recipient to repay Loan:

The Recipient agrees and promises to pay amounts necessary to fully provide for the principal and interest repayment, of the loan when due, from Highway User Revenue Fund (HURF) Exchange funds and 12.6% funds programmed in the Pima Association of Governments Transportation Improvement Program (TIP) and available to the Recipient for the project, Recipient's dedicated HURF revenue, after provision for payment of all amounts now or hereafter pledged to pay the Recipient's outstanding HURF bonds, if any, and other funds legally available for such purpose.

V. Loan Fee:

NONE

VI. Additional Covenants of Recipient:

a) The Recipient will maintain project accounts in accordance with generally accepted accounting standards.

b) The Recipient will report the project status and spending progress on the project to the Board on a quarterly basis beginning November 1, 2007. Such report may be in letter form, addressed to the Board with a copy to the Chief Financial Officer of the Department.

Attachment 1 to Exhibit D
Town of Oro Valley
La Canada Drive Widening Project

Estimated Loan Repayment Schedule

Loan Number: **QORV3P08U**
Loan Amount: **\$8,000,000.00**
Closing Date: **15-Aug-07**
Interest Rate: **3.500%**

Estimated Payment Date	Estimated Principal Amount	Estimated Interest Rate	Estimated Interest	Estimated Debt Service
15-Aug-08	\$ -	3.500%	\$ 280,000.00	\$ 280,000.00
15-Aug-09	\$ -	3.500%	\$ 280,000.00	\$ 280,000.00
15-Aug-10	\$ -	3.500%	\$ 280,000.00	\$ 280,000.00
15-Aug-11	\$ 6,000,000.00	3.500%	\$ 280,000.00	\$ 6,280,000.00
15-Aug-12	\$ 2,000,000.00	3.500%	\$ 70,000.00	\$ 2,070,000.00
<i>Totals</i>	<u>\$ 8,000,000.00</u>		<u>\$ 1,190,000.00</u>	<u>\$ 9,190,000.00</u>

[illegible]